

Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-08 INR-10 LAB-04
NSAE-00 SIL-01 DODE-00 PA-01 ICA-11 SP-02 TRSE-00
USPS-01 OC-06 CCO-00 /057 W
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R 122226Z SEP 78
FM AMEMBASSY OTTAWA
TO SECSTATE WASHDC 8618
INFO AMCONSUL TORONTO
AMCONSUL QUEBEC
AMCONSUL MONTREAL
ALL OTHER CANADIAN CONSULATES POUCH

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E.O. 11652: N/A
TAGS: CFED, ELAB, CA
SUBJECT: CONFRONTATION WITH LETTER CARRIERS NEARS

REF: OTTAWA 4086

1. MAJOR NEWSPAPERS REPORTED SEPT. 12 THAT THE LETTER CARRIERS' LEADERS HAVE SAID "...THEY WOULD RATHER SETTLE THAN STRIKE...". CONTRACT TALKS RESUMED YESTERDAY (SEPT. 11) ARE CONTINUING WHILE THE RESULTS OF A STRIKE VOTE BY THE 18,000 MEMBERS ARE TALLIED. THE UNION HAS BEEN IN A LEGAL STRIKE POSITION FOR SOME TIME.

2. UNION PRESIDENT ROBERT MCGARY SAID HE IS CONFIDENT HIS REQUEST FOR A STRIKE MANDATE WILL RECEIVE HEAVY SUPPORT BUT THE UNION'S VICE PRESIDENT WILLIAM FINDLAY POINTED OUT THE WORKERS' NEGOTIATORS WILL ATTEMPT TO REACH AGREEMENT ON A NEW CONTRACT WITHOUT A WORK STOPPAGE.

3. THE LETTER CARRIERS HAVE NOT RESORTED TO STRIKE
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ACTION SINCE 1972. WHILE THEY ARE NO LONGER RESTRAINED BY WAGE CONTROLS, THEY ARE REPORTED TO BE WILLING TO ACCEPT A 6 PERCENT INCREASE IN BASIC SALARY DURING AN 18-MONTH CONTRACT, IF THERE IS FULL PROTECTION ACCORDED AGAINST PAST AND FUTURE COST OF LIVING INCREASES. THE UNION NEGOTIATORS AND MANAGEMENT HAVE NOT BEEN ABLE TO AGREE ON THE COST OF LIVING PROVISIONS. THE LETTER

CARRIERS WANT A 65 CENT PER HOUR INCREASE IN THEIR CURRENT BASE PAY (NOW AVERAGING DOLS 6.65 PER HOUR) TO CATCH-UP WITH THE COST OF LIVING THAT OUTSTRIPPED WAGE INCREASES WHILE CONTROLS WERE IN EFFECT. THE GOC HAS OFFERED 46 CENTS. ADDITIONALLY, THE UNION IS SEEKING A ONE-CENT-AN-HOUR INCREASE FOR EACH 0.35 PERCENT INCREASE IN THE CPI OVER THE JULY 1, 1978 LEVEL. THE GOVERNMENT REPRESENTATIVE ON THE MEDIATION PANEL SUGGESTED A FORMULA WHICH WOULD TAKE EFFECT ONLY AFTER THE COST OF LIVING ROSE 6 PERCENT OVER THE JULY 1, 1978 LEVEL.

4. A SENIOR GOC OFFICIAL FOLLOWING THESE NEGOTIATIONS BELIEVES A STRIKE IS VIRTUALLY INEVITABLE -- PROBABLY LATER THIS WEEK. THE UNION LEADERSHIP HAS STRONG SUPPORT FOR ITS POSITION, WHILE THE GOVERNMENT REGARDS THIS NEGOTIATION AS THE FIRST SERIOUS TEST BY GOVERNMENT EMPLOYEES OF ITS POLICY TO CONTAIN PUBLIC SECTOR WAGE INCREASES -- AND PARTICULARLY TO HOLD THE LINE AGAINST WAGE CLAIMS BASED ON MAKING UP FOR LOSSES UNDER PRICE/ WAGE CONTROLS. IN THE GOC VIEW, FAILURE TO STAND FIRM WOULD OPEN THE WAY FOR SIMILAR CLAIMS THROUGHOUT THE PUBLIC SECTOR.

5. THIS OFFICIAL LAMENTED THAT THE LETTER CARRIERS ARE "THE WRONG UNION" FOR THE GOVERNMENT TO CONFRONT. IN HIS LIMITED OFFICIAL USE

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VIEW, A CLASH WITH THE CONTENTIOUS CANADIAN UNION OF POSTAL WORKERS (MAIL CLERKS) WOULD BE FAR MORE PALATABLE AND EASILY JUSTIFIED TO THE PUBLIC. ENDERS

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